RAJYA SABHA

Monday, the 10th August, 1987/19 Sravana, 1909 (Saka)

The House met at eleven of the Clock. The Deputy Chairman in the Chair.

ORAL ANSWERS TO QUESTIONS

Prices of soft drinks

*181. SHRI MAHENDRA PRASAD:†
DR. RATNAKAR PANDEY:

Will the Minister of INDUSTRY be pleased to state:

(a) whether Government's attention has been drawn to the fact that soft drink manufacturers have been increasing the prices of their products without justification;

(b) if so, how many times the prices of various popular soft drinks have been raised during the last two years and to what extent and how the prices in July 1987 compare with those in July 1986 and July 1985; and

(c) what is the Government's reaction to this escalation in prices?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT IN THE MINISTRY OF INDUSTRY (SHRI M. ARUNACHALAM): (a) There have been increases in the prices of soft drinks.

(b) There is no statutory control on the prices of soft drinks. However, according to information ascertained, the retail price per bottle in Delhi was around Rs. 1.75, Rs. 2.00 and Rs. 2.50 in July 1985, July, 1986 and July 1987, respectively.

(c) Soft drink industry is one of the industries covered by the delicensing scheme introduced by the Government in March, 1985. There is no proposal to bring soft drinks under statutory price control.

†The question was actually asked on the floor of the House by Shri Mahendra Prasad.

SHRI MAHENDRA PRASAD: Madam, soft drinks are no longer a luxury of the rich people. Of late, the soft drink has become a necessary consumer item not only for the middle class but also for the economically weaker sections of society. Therefore, may I know whether, in view of the fact that there has been a hike of about 30 per cent in the prices of soft drinks during the period of the last few months, the Government has taken any steps to monitor the prices and prevent the disproportionate rise in the prices and to protect the consumer interest? May I also know whether, as an effective step in that direction, the Government proposes to enter the soft drinks industry as an effective competitor through public enterprises at the Central or State level? If so, what are the details thereof?

SHRI J. VENGAL RAO: Soft drinks are delicensed. There is no control. Government has no statutory power to control the prices.

SHRI MAHENDRA PRASAD: May I know whether it is a fact that the soft drinks industry has been placed under the delicensing scheme to encourage competition and to bring about price regulation by free enterprise of normal market forces, and realising this situation, may I know whether Government will be in a position to give an assurance to clear the Pepsicola proposal in view of the fact that the import-export earnings are about three times the outflow of foreign exchange? If so, by what time is the proposal likely to be declared and is any step being taken to contain prices through an interplay of competing items...

THE DEPUTY CHAIRMAN: Please be brief in your question.

SHRI MAHENDRA PRASAD: Yes, Madam. I want to know whether in the soft drinks market Government have recently approved a proposal for entry of what is popularly known as Doublecola. If so, what are the main terms of the proposal and whether it involves any import content of capital goods or raw material? If so, what are the details?

SHRI J. VENGAL RAO: As I said in reply to the first supplementary, there is no statutory power with the Government to control the prices. This is a delicensed item. Now so many small-scale people are entering this field. He has asked about Doublecola...

AN HON. MEMBER: What about Pepsicola?

SHRI J. VENGAL RAO: We are not considering that question now. As regards Doublecola, it is a small-scale unit; it is a hundred per cent NRI unit. There is no foreign exchange involved in Doublecola.

डा० रत्नाकर पाण्डेय : मान्यवर, उपसभापति महोदया, आज साफ्ट ड्रिंक केवल एलाइड कम्युनिटी के लिये नहीं रह गया है वरन् सामान्य गरीब भी चाय और साफ्ट ड्रिंक का उपयोग करता है। सरकार ने इस पर स्टेच्युटरी कंट्रोल अभी तक नहीं किया है। डिलाईसेंसिंग पेय पदार्थों के नाम पर चालू है। मेरा प्रश्न है कि क्या डिलाइसेंसिंग और स्टेच्युटरी कंट्रोल करने का सरकार का विचार है और अगर हमारी सरकार गरीबी रेखा से नीचे जिन्दी रहने वालों के लिए काम कर रही है तो इस पर क्यों नहीं कंट्रोल कर रही है ? और बजाय कंट्रोल करने के लोगों को प्रोडक्शन करने का अवसर दे रही है।

SHRI J. VENGAL RAO: As the Member has mentioned, Parle is controlling 60 per cent of the soft drinks market. Even then if we allowed the small-scale unit people to complete prices will certainly come down.

श्री अटल बिहारी बाजपेयी : महोदया, क्या सरकार, कानून बनाकर निर्माताओं को इस बात के लिए मजबूर करेगी कि जो भी चीजे वे तैयार करते है उसमें लागत मूल्य कितना है ? केन्द्र का टैक्स कितना है और राज्यों का टैक्स कितना है, इसका विवरण दिया जाये ताकि लोगों को पता चल सके कि कंपनी कितना मुनाफा कर रही है ? क्या सरकार ने इस संबंध में विचार किया है और अगर नहीं किया है तो इसमें क्या कठिनाई है ?

SHRI J. VENGAL RAO: We are getting the costs of production of these things. But we have no power to impose any control on these prices.

SHRI ATAL BIHARI VAJPAYEE: My question has not been replied. I asked whether there is a proposal to acquire statutory power. You can come to Parliament. We will give you the power.

SHRI J. VENGAL RAO: No proposal.

श्री प्रमोद महाजन : उपसभापति महोदया, इन शीत पेयों के ऊपर 500 या 700 प्रतिशत मुनाफा कमाया जा रहा है और जब दोनों सदनों में यह मांग हो रही है कि इन पर नियंत्रण किया जाय, इनकी कीमतों को नियंत्रित करने का अधिकार सरकार ले, तो क्या मैं मंत्री महोदय से जान सकता हूं कि आपके अधिकार न लेने के पीछे क्या कारण हैं ?

SHRI J. VENGAL RAO: Madam, recently, so many times have been delicensed. This is also delicensed item. We want to encourage the small sector. Only if the prices are decreased, the small scale people can produce more.

श्री अटल बिहारी बाजपेयी : महोदया, क्या सवाल पूछा जा रहा है और क्या जवाब दिया जा रहा है, दोनों में कोई तालमेल नहीं है।

श्री बंसत साठे : तालमेल है, समझने में फर्क है . . . (व्यवधान)

SHRI VISHWA BANDHU GUPTA: I would like to know whether there is any proposal not only for Double Cola but also for Triple Cola and whether the Government has taken steps to see that there is hygienic production of these drinks. One of the pictures which appeared in the newspapers shows that there are some insects and other things in the bottle. Has the Government the power

to see that hygienic drinks are produced? It does not matter whether they are in the small sector or major sector.

SHRI J. VENGAL RAO: That is the duty of the State Government. Under the Food Control Act, they will certainly control it.

SHRI GHULAM RASOOL MATTO: This is the third session consecutively that we have not heard any definite reply from the Government with regard to the Punjab Government's proposal for Pepsi Cola project. That project will not only help the Punjab Government but also the Jammu and Kashmir Government.

THE DEPUTY CHAIRMAN: It does not arise out of this question. This is a general question.

SHRI GHULAM RASOOL MATTO: It will definitely help in bringing down the prices. Will the hon. Minister categorically state when this is being taken up?

SHRI J. VENGAL RAO: We are not considering Pepsi Cola question now.

SHRI NIRMAL CHATTERJEE: I am a little surprised by the Minister's statement. The hon. Minister says that Double Cola is an NRI project. Is it the policy of the Government that if it is under NRI, anything and everything can be imported? What is the import content of Double Cola as a fraction? Is there any import duty and if so, what is that fraction? Thirdly, is there any excise duty and if so, what is the fraction of the excise duty imposed on that? Is the hon. Minister aware that in China also, after allowing import of Pepsi Cola and Coca Cola, they have developed a soft drink which has competed Coca Cola and Pepsi Cola out of China? Is he aware of that? Are they trying to establish contact with China because this is also a populistic property?

SHRI J. VENGAL RAO: I have no contacts with China. I don't know anything about it. There is no import con- of concentrate for Double Cola. Therefore, there is no question of the Government showing favour.

SHRI NIRMAL CHATTERJEE: You say that Double Cola is an NRI project. It means foreign exchange. You are increasing consumption of foreign exchange on each and every item. Is that the policy of the Government? What is the import content?

SHRI J. VENGAL RAO: It is hundred per cent NRI project. It is a small scale unit. They are not importing any formulations from the United States.

*[*The questioners (Shri Ashwani Kumar and Shri Lal K. Advani) were absent, for answer, vide col. infra*].

Poor quality BHEL equipment

*183. SHRI KAPIL VERMA:†
SHRI SOHAN LAL DHUSIYA:

Will the Minister of ENERGY: be pleased to refer to the answer to Unstarred Question 25 given in the Rajya Sabha on the 27th July, 1987 and state;

(a) whether Central Electricity Authority has enquired into Assam Government's charge that the BHEL equipment is poor in quality, which has resulted in fall in power generation at Bongaigaon and Namrup power stations; and

(b) if so, what are the findings of the investigation and the follow up action taken in this regard?

THE MINISTER OF STATE IN THE DEPARTMENT OF POWER IN THE MINISTRY OF ENERGY (SHRIMATI SUSHILA ROHATGI): (a) and (b) A Statement is laid on the Table of the House.

Statement

As a result of the visits of the engineers of the Central Electricity Authority, M/s. BHEL and the Assam State Electricity Board to the Bongaigaon thermal stations the measures necessary to improve its performance have been identified for implemnetation both the ASEB and BHEL. These measures include posting of adequately

†The question was actually asked on the floor of the House by Shri Kapil Verma.